Standing Committee on Law and Justice – First Review of the Workers Compensation Scheme.

Insurance Council of Australia response to questions taken on notice.

1. <u>The General Insurance Code of Practice (page 64 of the transcript)</u>

Q: (The Hon. Daniel Mookhey): On notice can you provide us a copy of the general code?

Please find attached a copy of the General Insurance Code of Practice.

2. <u>Information on training and courses available for claims managers (page 64 of the transcript)</u>

Q: (The Hon. Daniel Mookhey): Can you provide us with information about the professional requirements needed of claims managers in the workers compensation space?

Q: (The Hon. Daniel Mookhey): On notice can you provide the details of that and the extent to which you are aware of your members' compliance with that?

Ms Mullen: I cannot tell you about the compliance because it is not a compliance requirement, but we can give your information about the courses.

Answer:

The Personal Injury Education Foundation

The Personal Injury Education Foundation (PIEF) provides a range of training courses and vocational qualifications designed for people who work or are looking to work in personal injury management including as workers compensation claims managers.

The PIEF offers short courses as well as formal claims management qualifications. They also offer customised training to the specific requirements of organisations.

All of their vocational education and training programs are nationally recognised.

(a) Short Courses

One of the short courses offered by PIEF is a claims management training module designed to build and strengthen skills in specialist case management practice. In particular, this course has a focus on building participant's case management skills in managing serious and complex claims.

(b) National Claims Management Qualifications

Claims management qualifications offered by the PIEF include a **Certificate IV in Personal Injury Management (Claims Management Stream).**

This course recognises the challenges faced by case managers in their roles and offers participants the opportunity to develop and enhance their skills in managing claims, client and stakeholder relationships, problem solving, negotiation, dispute management and the establishment of effective workplace relationships.

This qualification is designed to enable participants to develop the key skills required to take on the accountability for the active management of an accident compensation claims portfolio.

Specifically, the course is designed to develop skills and knowledge in:

- Understanding the accident compensation industry, including benefit administration, the different funding and claims management models in existence;
- Building positive working relationships with internal and external stakeholders involved in accident compensation claims;
- Assisting injured persons to return to work and/or their community;
- Claims management and managing an accident compensation claims portfolio;
- Preventing and resolving disputes arising in accident compensation claims.

The PIEF also offers a **Diploma of Personal Injury and Disability Insurance Management (Advanced Return to Work Stream).**

This qualification allows for specialisation in advanced return to work, disability insurance and workplace injury insurance management. This course is specifically designed to develop skills that promote high quality case management practices, including how to manage complex and difficult return to work cases.

Specifically, this course is designed to develop skills in:

- Providing leadership and coaching to teams in personal injury settings in order to ensure effective team performance and regulatory compliance;
- Identifying areas of risk within your organisation's business, and undertaking research and analysis to generate business solutions;
- Promoting high quality case management practices and advising on complex claims matters;
- Developing and implementing injury management and return to work strategies.

More information on the courses and training offered by the PIEF is available at:

http://www.pief.com.au/educationandtraining/education-and-training

The Australian and New Zealand Institute of Insurance and Finance (ANZIIF)

The Australian and New Zealand Institute of Insurance and Finance (ANZIIF) provides several different training courses and skills units for people working in general insurance claims. Many of these course courses provide knowledge and skills relevant to workers compensation claims.

The courses provided by ANZIIF are updated regularly to respond to the changing and evolving skills needs of insurance professionals.

The courses provided are split into three levels: Foundation, Intermediate and Specialised. Many courses are designed to address specific skill or knowledge areas.

ANZIIF also offers longer courses such as the **ANZIIF Professional Certificate in Insurance** which is awarded after completion of a number of different training units or short courses.

More information on the range of courses and skills units offered by ANZIIF can be found at:

https://anziif.com/education/studying-with-anziif

Questions regarding capital and profit margins for insurers (pp 66-68 of the transcript)

Q: (The Hon. Daniel Mookhey) paraphrasing: What should we be allowing for in respect to return on capital and profit margins?

Q: (Mr David Shoebridge): Can you indicate what kind of additional funds would be drained from the spend if the $17.5 billion were in private hands and we had to compensate insurers for the $17.5 billion in assets that they put aside for the scheme?

Ms Mullen: We can certainly give you some general information about the cost of capital.

The ICA can provide the following general information regarding capital, return on capital and profit margins. This information was prepared with the assistance of Finity Consulting.

Insurers are required to invest capital in their business to provide confidence that policyholder obligations will be met. This applies to all insurers, not just those in workers compensation. The amount of capital they require is a function of:

- APRA's prudential rules, which set a floor on the capital levels by considering a range of factors impacting the insurer's risk profile – for example: the nature of its insurance risks, its exposure to an aggregation risk such as an earthquake or cyclone, its investment strategy and other operational risks.
- The insurer's own prudential decisions and risk appetite, which compel them to hold more than the APRA minimum (as they need to hold a buffer to ensure they don't ever breach the APRA minimum requirements).

Profit margins are required to service the capital that is held. These profit margins consider:

- The target return on capital for shareholders and other funding sources that provide the capital. Uncertainty and volatility of business outcomes tend to increase the required margins – i.e. higher return is required for higher risk.
- Investment earnings that can be earned while the capital is in use. That is, insurers will seek to achieve an investment return on the capital which then contributes to the shareholder return, thereby reducing the profit margin that would otherwise be required.

INSURANCE COUNCIL OF AUSTRALIA

GENERAL INSURANCE

CODE OF PRACTICE

FOREWORD

This version of the General Insurance Code of Practice took effect on 1 July 2014.

The Board of the Insurance Council of Australia is pleased to support this significant revision of the General Insurance Code of Practice.

The Code was first introduced in 1994 and has undergone multiple improvements to ensure it remains relevant and continues to meet its objectives. The current Code follows a wide-ranging 12-month independent review of the Code's efficacy and its position within the general insurance industry. Both the review process and the development of the revised Code involved extensive consultation with a broad range of consumer, government and industry stakeholders to ensure the Code works for all parties.

The changes made to the Code in 2014 enhance and clarify the rights of consumers. The Code is written in plain English. It sets out clearer processes for making claims and complaints, and stronger and more detailed obligations for insurers to provide assistance to those experiencing financial difficulty.

The Code is supported by a transparent and independent governance framework to ensure Code compliance is effectively monitored and enforced. The body tasked with these duties is the Code Governance Committee, constituted through an association incorporated under NSW law, and comprising an independent chair, a consumer representative and an insurance industry representative.

The ICA is responsible for making sure the content of the Code meets its objectives to commit insurers to high standards of service and to promote better and more informed relationships between insurers and their customers. The Code is a living document, and the ICA will continue to make improvements as and when required.

The ICA Board believes that the General Insurance Code of Practice sets the benchmark for industry self-regulation in Australia. The Code will continue to be a significant change agent for general insurers in continuously improving customer service.

Mr Mark Milliner
President
Insurance Council of Australia
1 July 2014

CONTENTS

1 INTRODUCTION

1.1 **We** have entered into this voluntary **Code** with the Insurance Council of Australia (**ICA**). This **Code** commits **us** to uphold minimum standards when providing services covered by this **Code**.

1.2 **We** acknowledge that **our** customers and **our** relationships with them are the foundations of **our** business.

1.3 The terms of this **Code** require **us** to be open, fair and honest in **our** dealings with **you**.

1.4 This **Code** aims to work with the many laws covering **our** conduct and in no way limits **your** rights under such laws against **us**. This **Code** also deals with issues not dealt with in legislation.

1.5 The **Code** terms provide that **you** may:

(a) ask **us** to address an issue;
(b) access **our Complaints** process set out in section 10 of this **Code**; and/or
(c) report **your** concerns to the CGC.[1]

By agreeing to this **Code**, **we** enter into a contract with the **ICA** to abide by this **Code**. This **Code** does not create legal or other rights between **us** and any person or entity other than the **ICA**.

1.6 If **we** fail to meet **our** obligations under this **Code**, the CGC may impose sanctions on **us**.

1.7 Important terms which have a special meaning are identified in **bold** and can be found in the Definitions section on page 21 at the end of this **Code**.

2 OBJECTIVES

2.1 The objectives of this **Code** are:

(a) to commit **us** to high standards of service;
(b) to promote better, more informed relations between **us** and **you**;
(c) to maintain and promote trust and confidence in the general insurance industry;
(d) to provide fair and effective mechanisms for the resolution of **Complaints** and disputes between **us** and **you**; and
(e) to promote continuous improvement of the general insurance industry through education and training.

2.2 The objectives of this **Code** will be pursued having regard to the law, and acknowledging that a contract of insurance is a contract based on the utmost good faith.

[1] The Code Governance Committee.

3 APPLICATION

3.1 This **Code** takes effect on 1 July 2014, and **we** must adopt this **Code** within 12 months.

3.2 This **Code** applies to all:

(a) new policies and renewed policies of insurance entered into with **us**; and
(b) new claims[2] and **Complaints** received by **us**,

after **we** have adopted this **Code**.[3]

3.3 If this **Code** applies, previous codes do not.

3.4 This **Code** applies to all industry participants who have adopted it. Members of the **ICA**, any other general insurers, and such other entities as are approved by the **ICA**, may adopt this **Code**.

3.5 This **Code** covers all general insurance products except **Workers Compensation**, **Marine Insurance**, **Medical Indemnity Insurance** and **Motor Vehicle Injury Insurance**. It does not cover reinsurance.

3.6 This **Code** does not apply to life and health insurance products issued by life insurers or registered health insurers.

3.7 This **Code** applies differently to **Retail Insurance** and **Wholesale Insurance**. The following sections apply to **Retail Insurance** only:

(a) Buying insurance – section 4
(b) Standards for our **Service Suppliers** – section 6
(c) Claims – section 7
(d) **Catastrophes** – section 9
(e) **Complaints** and disputes – section 10

All other sections apply to both **Retail Insurance** and **Wholesale Insurance**.

3.8 Under a **Co-Insurance** arrangement, if one or more of the insurers has not adopted this **Code**, then that policy is not covered by this **Code**.

3.9 Where there is any conflict or inconsistency between this **Code** and any Commonwealth, State or Territory law, that law prevails.

3.10 Where this **Code** imposes an obligation on **us** in addition to obligations applying under a law, **we** will also comply with this **Code** except where doing so would lead to a breach of a law.

[2] New claims received by **us** after **we** have adopted this **Code** will be covered by sections 6, 7, 8, 9 and 10 of this **Code**.

[3] The 2012 code will continue to apply to all policies of organisations who have not yet adopted this **Code**, prior to 1 July 2015. Conduct that occurred before **we** adopted this **Code** will be measured against the 2012 code standards, but will be covered by **our Complaints** process set out in section 10 of this **Code**, and the monitoring, enforcement and sanctions provisions set out in section 13 of this **Code**.

4 BUYING INSURANCE

4.1 This section applies to **Retail Insurance** only.

4.2 In this section, "**you**" means an **Insured** only.

4.3 This section applies to the initial enquiry and buying of insurance and renewal of cover.

4.4 **Our** sales process and the services of **our Employees** and **our Authorised Representatives** will be conducted in an efficient, honest, fair and transparent manner, in accordance with this section.

4.5 **We** will take reasonable steps to ensure that **our** communications with **you** are in plain language.

4.6 **We** will only ask for and rely on information and documents relevant to **our** decision in assessing an application for insurance.

4.7 Where **we** identify, or **you** tell **us** about, an error or mistake in **your** application or in the information or documents **we** have relied on in assessing **your** application, **we** will immediately initiate action to correct it.

4.8 If **we** cannot provide **you** with insurance, **we** will:

(a) give **you our** reasons;
(b) supply **you** with the information **we** relied on in assessing **your** application if **you** request it, in accordance with section 14 of this **Code**;
(c) refer **you** to the **ICA** or the National Insurance Brokers Association of Australia (**NIBA**) for information about alternative insurance options, or another insurer; and
(d) provide details of **our Complaints** process, if **you** tell **us you** are unhappy with **our** decision.

CANCELLATION RIGHTS

4.9 **You** may be entitled to cancel **your** insurance policy and obtain a refund, in accordance with the terms of **your** policy. If **you** cancel **your** policy, any money **we** owe **you** will be sent to **you** within 15 **business days**.[4]

4.10 Where **you** have an **Instalment Policy** and **we** have not received an instalment payment, **we** will send **you** a notice **in writing** regarding **your** non-payment at least 14 calendar days before any cancellation by **us** for non-payment.

If after sending the above notice **we** do not receive the instalment payment, **we** will send **you** a second notice **in writing**, either:

(a) prior to cancellation, informing **you** that **your Instalment Policy** is being cancelled for non-payment; or
(b) within 14 days after cancellation by **us**, confirming **our** cancellation of **your Instalment Policy**.

[4] In cases where **you** buy insurance through an insurance broker, different arrangements will apply. Ask **your** broker what arrangements apply to **you**.

5 STANDARDS FOR OUR EMPLOYEES AND AUTHORISED REPRESENTATIVES

5.1 When **our Employees** or **Authorised Representatives** are acting on **our** behalf, **we** will:

(a) provide them with, or require them to receive, appropriate education and training to provide their services competently and to deal with **you** professionally, including training on this **Code**;

(b) only allow **our Employees** and **our Authorised Representatives** to provide services that match their expertise;

(c) measure the effectiveness of training by monitoring the performance of **our Employees'** and **our Authorised Representatives'** services;

(d) provide or require appropriate education and training to correct any identified performance shortcomings in **our Employees'** or **Authorised Representatives'** services; and

(e) keep **our Employees'** education and training records for a minimum of five years and make them available to the **CGC** on request, and require **our Authorised Representatives** to do the same.

5.2 **Our Authorised Representatives** will notify **us** of any **Complaint** they receive against them while they are acting on **our** behalf, and **we** will handle such **Complaints** under **our Complaints** process.

5.3 When providing a service to **you**, **our Authorised Representatives** will inform **you** of the service they have been authorised to provide on **our** behalf, and **our** identity.

5.4 The **CGC** may include any recommendations on education and training in its quarterly reports to the **ICA** Board.

AUTHORISED FINANCIAL SERVICES LICENSEES ACTING ON OUR BEHALF

5.5 **We** may contract with other persons who are not **our Authorised Representatives** but who are licensed by **ASIC** to sell insurance products. These may include insurance brokers, banks, or credit unions. If they do not comply with this **Code** when selling **our** products on **our** behalf, **you** can:

(a) ask **us** to address the matter; and

(b) report **your** concerns to the **CGC**.

6 STANDARDS FOR OUR SERVICE SUPPLIERS

6.1 This section applies to **Retail Insurance** only.

6.2 **Our Service Suppliers** will provide services on **our** behalf in an honest, efficient, fair and transparent manner, in accordance with this section.

6.3 **We** will only appoint **Service Suppliers** who:

(a) reasonably satisfy **us** at the time of appointment that they are, and their employees are, qualified by education, training or experience to provide the required service competently and to deal with **you** professionally (including but not limited to whether they hold membership with any relevant professional body); and

(b) hold a current licence, if required by law.

6.4 **Our** contracts with **our Service Suppliers** entered into after **we** have adopted this **Code** must reflect the standards of this **Code** as they relate to the services of the **Service Supplier**.

6.5 A **Service Supplier** must obtain **our** approval before subcontracting their services.

6.6 When providing a service to **you**, **our Service Suppliers** will inform **you** of the service they have been authorised to provide on **our** behalf, and **our** identity.

6.7 **Our Service Suppliers** must notify **us** about any **Complaint** about a matter under this **Code** when acting on **our** behalf. **We** will handle **Complaints** relating to **our Service Suppliers** when they are acting on **our** behalf under **our Complaints** process.

7 CLAIMS

7.1 This section applies to **Retail Insurance** only.

7.2 **We** will conduct claims handling in an honest, fair, transparent and timely manner, in accordance with this section.

7.3 **We** will only ask for and rely on information relevant to **our** decision when deciding on **your** claim.

7.4 Where **we** identify, or **you** tell **us** about, an error or mistake in dealing with **your** claim, **we** will immediately initiate action to correct it.

7.5 If any of the timeframes in this section are not practical due, for example, to the complex nature of **your** claim, **we** will agree a reasonable alternative timetable with **you**. If **we** cannot reach an agreement on an alternative timetable, **we** will provide details of **our Complaints** process.

7.6 **Our Complaints** process set out in section 10 of this **Code** is available to **you**, if **you** wish to make a **Complaint** about any aspect of **our** claims handling.

URGENT FINANCIAL NEED OF BENEFITS

7.7 Where **you** reasonably demonstrate to **us** that **you** are in urgent financial need of the benefits **you** are entitled to under **your** insurance policy as a result of the event causing the claim, **we** will:

(a) fast-track the assessment and decision process of **your** claim; and/or
(b) make an advance payment to assist in alleviating **your** immediate hardship within five **business days** of **you** demonstrating **your** urgent financial need; and
(c) provide details of **our Complaints** process, if **you** are not happy with **our** decision.

MAKING A CLAIM

7.8 **You** are entitled to ask **us** if **your** insurance policy covers a particular loss before a claim is lodged. In answering, **we** will not discourage **you** from lodging a claim, and will inform **you** that the question of coverage will be fully assessed if a claim is lodged.

7.9 If **you** make a claim and **we** do not require further information, assessment or investigation, **we** will decide to accept or deny **your** claim and notify **you** of **our** decision within ten **business days** of receiving **your** claim.

7.10 If **you** make a claim and **we** require further information or assessment, within ten **business days** of receiving **your** claim **we** will:

(a) notify **you** of any information **we** require to make a decision on **your** claim;
(b) if necessary, appoint a loss assessor or loss adjuster; and
(c) provide an initial estimate of the timetable and process for making a decision on **your** claim.

7 CLAIMS (CONTINUED)

ASSESSMENT AND INVESTIGATION

7.11 **We** will assess **your** claim on the basis of all relevant facts, the terms of **your** insurance policy, and the law.

7.12 If **we** appoint a loss assessor, loss adjuster or investigator,[5] **we** will notify **you** within five **business days** of their appointment.

7.13 **We** will keep **you** informed about the progress of **your** claim at least every 20 **business days**.

7.14 **We** will respond to routine requests made by **you** about **your** claim within ten **business days**.

7.15 If **we** engage an **External Expert** to provide a report which is necessary to assess **your** claim, **we** will ask them to provide their report to **us** within 12 weeks of the date of their engagement. If the **External Expert** cannot meet or fails to meet this timeframe, **we** will inform **you** of this, and keep **you** informed of **our** progress in obtaining the report.

DECISION

7.16 Once **we** have all relevant information and have completed all enquiries, **we** will decide whether to accept or deny **your** claim and notify **you** of **our** decision within ten **business days**.

7.17 **Our** decision will be made within four months of receiving **your** claim, unless **Exceptional Circumstances** apply. If **we** do not make a decision within four months, **we** will provide details of **our Complaints** process.

7.18 Where **Exceptional Circumstances** apply, **our** decision will be made within 12 months of receiving **your** claim. If **we** do not make a decision within 12 months, **we** will provide details of **our Complaints** process.

7.19 If **we** deny **your** claim, **we** will:

(a) give **you** reasons for **our** decision **in writing**;
(b) inform **you** of **your** right to ask for the information about **you** that **we** relied on in assessing **your** claim, and supply the information within ten **business days** if **you** request it, in accordance with section 14 of this **Code**;
(c) inform **you** of **your** right to ask for copies of any **Service Suppliers'** or **External Experts'** reports that **we** relied on in assessing **your** claim, and supply the reports within ten **business days** if **you** request them, in accordance with section 14 of this **Code**; and
(d) provide details of **our Complaints** process.

[5] An appointed loss assessor, loss adjuster or investigator may be an **Employee** or a **Loss Assessor/Loss Adjuster/Investigator**.

REPAIR WORKMANSHIP AND MATERIALS

7.20 Where **we** have selected and directly authorised a repairer, **we** will:

(a) accept responsibility for the quality of the workmanship and materials; and
(b) handle any **Complaint** about the quality or timeliness of the work or conduct of the repairer under **our Complaints** process.

COMPLIANCE WITH TIMETABLES

7.21 **We** must comply with the timetables in this section, unless:

(a) **our** conduct complied with an alternative timetable agreed with **you**; or
(b) **our** conduct and the timetable were reasonable in all the circumstances; or
(c) the cause of the non-compliance was a delay in the supply of a report from an **External Expert**, and **we** had engaged the **External Expert** in accordance with this section, and used **our** best endeavours to obtain the report in time.

7.22 The standards of this section do not apply if **you** have commenced any proceedings in any court, tribunal or under any other dispute handling process (other than **FOS**) in respect of **your** claim.

8 FINANCIAL HARDSHIP

8.1 For the purposes of this section only, the definition of "**you**" means:

(a) an individual **Insured** or **Third Party Beneficiary** who owes **us** money under an insurance policy **we** have issued; and

(b) an individual **we** are seeking recovery from, for damage or loss caused by them to an **Insured** or **Third Party Beneficiary we** cover under an insurance policy.

8.2 This section does not apply to the payment of premiums under an insurance policy **we** have issued.

WHERE YOU OWE US MONEY

8.3 If **you** owe **us** money, and **you** experience **Financial Hardship**, **you** may ask **us** to assess whether **you** are entitled to assistance.

8.4 If **you** inform **us** that **you** are experiencing **Financial Hardship**, **we** will supply **you** with an application form for **Financial Hardship** assistance, and contact details for the national financial counselling hotline 1800 007 007.

8.5 In assessing **your** request for **Financial Hardship** assistance, reasonable evidence of **your Financial Hardship** may assist **us**, such as:

(a) for Centrelink clients, **your** Centrelink statements; or

(b) evidence of serious illness that prevents **you** from earning income, unemployment or disability, including disability caused by mental illness.

We will only request information from **you** that is reasonably necessary to assess **your** application for **Financial Hardship** assistance.

8.6 **We** will notify **you** about **our** assessment of whether **you** are entitled to assistance for **your Financial Hardship** as soon as reasonably practicable. If **we** determine that **you** are not entitled to **Financial Hardship** assistance, **we** will provide **you** with the reasons for **our** decision, and information about **our Complaints** process.

8.7 If **you** make a request for **Financial Hardship** assistance in relation to an amount **we** seek from **you**, **we** will contact any relevant **Collection Agent** and put on hold any recovery action in relation to that amount until **we** have assessed **your** request and notified **you** of **our** decision.

8.8 If **we** determine that **you** are entitled to **Financial Hardship** assistance:

(a) **we** will work with **you** to consider an arrangement that could include:
   (i) extending the due date for payment;
   (ii) paying in instalments;
   (iii) paying a reduced lump sum amount;
   (iv) postponing one or more instalment payments for an agreed period; or
   (v) a combination of the above options,
   and **we** will confirm any agreed arrangement **in writing**;

(b) if **you** are an **Insured** or **Third Party Beneficiary**, at **your** request **we** will notify any financial institution with an interest in **your** insurance policy;

(c) **you** may ask **us** for a release, discharge or waiver of a debt or obligation; however, **you** are not automatically entitled to a release, discharge or waiver;

(d) if **we** agree to release, discharge or waive a debt or obligation, **we** will confirm this **in writing**, and if **you** are an **Insured** or **Third Party Beneficiary**, at **your** request **we** will notify any financial institution with an interest in **your** insurance policy;

(e) if **we** are unable to reach an agreement, **we** will provide details of **our Complaints** process.

8.9 If **we** determine **you** are not entitled to **Financial Hardship** assistance in relation to an amount **we** seek from **you**, and **your** circumstances change, **you** can make a further request for **Financial Hardship** assistance in relation to that amount. While assessing **your** further request, it will be at **our** discretion whether **we** again put any recovery action on hold.

COLLECTION OF MONIES OWED

8.10 If **we** authorise an agent to send **you** any communication about money **you** owe **us**, that communication will identify **us** as the insurer on whose behalf the agent is acting, and it will specify the nature of **our** claim against **you**.

8.11 **We** will require **our** agents to notify **us**, or to tell **you** to notify **us**, if **you** inform them that **you** are experiencing **Financial Hardship**, and require them to provide **you** with details of **our Financial Hardship** process.

8.12 **We** and **our** agents will comply with the **ACCC** and **ASIC** debt collection guideline when taking any recovery action.

8.13 If **you** inform **us** that **you** intend to declare bankruptcy, **we** will work with **you** or **your** representative to provide a written confirmation of the debt **you** owe **us** for the purposes of bankruptcy. If **we** cannot reach an agreement, **we** will provide details of **our Complaints** process.

9 CATASTROPHES

9.1 This section applies to **Retail Insurance** only.

9.2 **We** will respond to **Catastrophes** in an efficient, professional and practical way, and in a compassionate manner.

9.3 If **you** have a property claim resulting from a **Catastrophe** and **we** have finalised **your** claim within one month after the **Catastrophe** event causing **your** loss, **you** can request a review of **your** claim if **you** think the assessment of **your** loss was not complete or accurate, even though **you** may have signed a release. **We** will give **you** 12 months from the date of finalisation of **your** claim to ask for a review of **your** claim.

We will inform **you** about:

(a) this entitlement when **we** finalise **your** claim; and
(b) **our Complaints** process.

9.4 **We** will co-operate and work with the **ICA** on industry coordination and communications under the **ICA** Industry Catastrophe Coordination Arrangements.

9.5 The **CGC** may include any recommendations on the **ICA** Industry Catastrophe Coordination Arrangements in its quarterly report to the **ICA** Board.

10 COMPLAINTS AND DISPUTES

10.1 This section applies to **Retail Insurance** only.

10.2 The **CGC** may include any recommendations on **our Complaints** process in its quarterly reports to the **ICA** Board.

INTERNAL COMPLAINTS PROCESS

10.3 **You** are entitled to make a **Complaint** to **us** about any aspect of **your** relationship with **us**.

10.4 **We** will conduct **Complaints** handling in a fair, transparent and timely manner, in accordance with this section.

10.5 **We** will make available information about **your** right to make a **Complaint** and about **our** processes for dealing with **Complaints** on **our** website and in **our** relevant written communications.

10.6 **We** will only ask for and rely on information relevant to **our** decision in dealing with **Complaints**. **We** will supply **you** with the information **we** relied on in assessing **your Complaint** within ten **business days**, if **you** request it, in accordance with section 14 of this **Code**.

10.7 Where **we** identify, or **you** tell **us** about, an error or mistake in handling **your Complaint**, **we** will immediately initiate action to correct it.

10.8 **We** will notify **you** of the name and relevant contact details of the **Employee** assigned to liaise with **you** in relation to **your Complaint** at each stage of the **Complaints** process.

10.9 **Our Complaints** process described below does not apply to **your Complaint** if **we** resolve it to **your** satisfaction by the end of the fifth **business day** after **your Complaint** was received by **us**, and **you** have not requested a response **in writing**. This exemption to the **Complaints** process does not apply to **Complaints** about a **Declined Claim**, the value of a claim, or about **Financial Hardship**.

10.10 Stage One and Stage Two of **our Complaints** process described below will not exceed 45 calendar days in total, unless **we** are unable to provide **you** with a final decision within 45 calendar days. If **we** are unable to provide **you** with a final decision within 45 calendar days, **we** will inform **you** before the end of that period of the reasons for the delay and **your** right to take **your Complaint** to **FOS**, together with contact details for **FOS**.

STAGE ONE

10.11 **We** will respond to **your Complaint** within 15 **business days** of the date of receipt of **your Complaint**, provided **we** have all necessary information and have completed any investigation required.

10 COMPLAINTS AND DISPUTES (CONTINUED)

10.12 If **we** cannot respond within 15 **business days** because **we** do not have all necessary information or **we** have not completed **our** investigation:

(a) **we** will let **you** know as soon as reasonably practicable within the 15-**business-day** timeframe, and agree a reasonable alternative timetable with **you**. If **we** cannot reach an agreement on an alternative timetable, **we** will advise **you** of **your** right to take **your Complaint** to Stage Two of the **Complaints** process; and

(b) **we** will keep **you** informed about the progress of **our** response at least every ten **business days**, unless **you** agree otherwise.

10.13 **We** will respond to **your Complaint in writing** and tell **you**:

(a) **our** decision in relation to **your Complaint**;

(b) the reasons for **our** decision;

(c) **your** right to take **your Complaint** to Stage Two if **our** decision at Stage One does not resolve **your Complaint** to **your** satisfaction; and

(d) if **you** are still not satisfied with **our** decision after Stage Two, **your** right to take **your Complaint** to **FOS**, together with contact details for **FOS** and the timeframe within which **you** must take **your Complaint** to **FOS**.

STAGE TWO

10.14 If **our** Stage One decision does not resolve **your Complaint** to **your** satisfaction, **you** may advise **us** that **you** wish to take **your Complaint** to Stage Two.

10.15 If **you** advise **us** that **you** wish to take **your Complaint** to Stage Two, **your Complaint** will be reviewed by an **Employee** or **Employees** with the appropriate experience, knowledge and authority, who is/are, to the extent it is practical, different from the person or persons whose decision or conduct is the subject of the **Complaint**, or who was/were involved in the Stage One decision.

10.16 **We** will keep **you** informed about the progress of **our** review at least every ten **business days**.

10.17 **We** will respond within 15 **business days** of the date **you** advise **us** that **you** wish to take **your Complaint** to Stage Two, provided **we** have all necessary information and have completed any investigation required.

10.18 If **we** cannot respond within 15 **business days** because **we** do not have all necessary information or **we** have not completed **our** investigation, **we** will let **you** know as soon as reasonably practicable within the 15-**business-day** timeframe, and agree a reasonable alternative timetable with **you**. If **we** cannot reach an agreement on an alternative timetable, **we** will advise **you** of **your** right to take **your Complaint** to **FOS**.

10.19 **Our** response to the review of **your Complaint** will be **in writing** and will include:

(a) **our** final decision in relation to **your Complaint** and the reasons for that decision; and

(b) **your** right to take **your Complaint** to **FOS** if **you** are not satisfied with **our** decision, together with contact details for **FOS**, and the timeframe within which **you** must take **your Complaint** to **FOS**.

EXTERNAL DISPUTE RESOLUTION

10.20 **We** subscribe to the independent external dispute resolution scheme administered by **FOS**.

10.21 **FOS** is available to customers and third parties who fall within the **FOS** Terms of Reference.

10.22 If **our** decision at Stage Two does not resolve **your Complaint** to **your** satisfaction, or if **we** do not resolve **your Complaint** within 45 calendar days of the date **we** first received **your Complaint**, **you** may refer **your Complaint** to **FOS**.

10.23 External dispute resolution determinations made by **FOS** are binding upon **us** in accordance with the **FOS** Terms of Reference.

10.24 If **FOS** advises **you** that the **FOS** Terms of Reference do not extend to **you** or **your** dispute, **you** can seek independent legal advice or access any other external dispute resolution options that may be available to **you**.

11 INFORMATION AND EDUCATION

11.1 The ICA is responsible for the promotion of this Code to consumers and to industry participants that have not yet adopted this Code.

11.2 The ICA will work with the CGC, the relevant regulator and stakeholders to encourage all general insurers and other industry participants that carry on business in Australia to adopt this Code.

11.3 The ICA may develop guidance documents from time to time, to assist us in meeting our obligations under this Code.

11.4 The CGC may include any recommendations on Code promotion in its quarterly reports to the ICA Board.

11.5 We will work with the ICA to promote and champion this Code.

11.6 We will provide information about this Code on our websites and in our product information where we consider it appropriate to do so.

11.7 We will work with the ICA to provide general information to assist you in accessing insurance products.

11.8 We will work with the ICA to initiate programmes to promote insurance, financial literacy and the insurance industry, and we will support ICA initiatives aimed at education on general insurance.

11.9 The CGC may include any recommendations on education relevant to the operation of this Code in its quarterly reports to the ICA Board.

12 CODE GOVERNANCE

12.1 The **CGC** is the independent body responsible for monitoring and enforcing compliance with this **Code**.

12.2 The **CGC** is made up of:

(a) a consumer representative;
(b) an industry representative; and
(c) an independent chair.

12.3 The **CGC** is responsible for monitoring and enforcing **our** compliance with this **Code**, in accordance with section 13 of this **Code**.

12.4 The **CGC**'s constitution, functions and powers are set out in the **CGC** Charter.

12.5 The **CGC** is responsible for providing quarterly reports to the **ICA** Board, with recommendations on any **Code** improvements, **Code**-related issues and matters of importance.

12.6 The **CGC** may outsource to an appropriate service provider any of the responsibilities of the **CGC** set out in sections 13.7 to 13.9 of this **Code**.

12.7 The **ICA** is responsible for commissioning formal independent reviews of this **Code** from time to time. The **CGC** may recommend to the **ICA** Board that this **Code** be reviewed, if the **CGC** believes the application of this **Code** is not meeting the objectives outlined in section 2 of this **Code**.

12.8 In addition to formal independent reviews of this **Code**, the **ICA** will consult with the **CGC**, **FOS**, consumer and industry representatives, relevant regulators and other stakeholders to develop this **Code** on an ongoing basis.

13 MONITORING, ENFORCEMENT AND SANCTIONS

13.1 **You** can report alleged breaches of this **Code** to the **CGC**.

OUR RESPONSIBILITY

13.2 **We** will:

(a) have appropriate systems and processes in place to enable the **CGC** to monitor compliance with this **Code**;
(b) prepare an annual return to the **CGC** on **our** compliance with this **Code**; and
(c) have a governance process in place to report on **our** compliance with this **Code** to **our** Board of Directors or executive management.

13.3 If **we** identify a **Significant Breach** of this **Code**, **we** will report it to the **CGC** within ten **business days**.

13.4 **We** will be in breach of this **Code** if **our Employees**, **our Authorised Representatives**, or **our Service Suppliers** fail to comply with this **Code** when acting on **our** behalf.

13.5 **We** will cooperate with the **CGC** in its:

(a) review of **our** compliance with this **Code**; and
(b) investigations of any alleged **Code** breach.

13.6 **We** will apply corrective measures within set timeframes, as agreed with the **CGC**, in response to a **Code** breach.

CGC RESPONSIBILITY

13.7 The **CGC** is responsible for monitoring and enforcing compliance with this **Code**.

13.8 The **CGC** will prepare annual public reports containing aggregate industry data and consolidated analysis on **Code** compliance.

13.9 The **CGC** will:

(a) receive allegations about breaches of this **Code**;
(b) investigate alleged breaches at its discretion in accordance with this **Code**;
(c) provide an opportunity for **us** to respond to alleged breaches;
(d) determine whether a breach has occurred;
(e) agree with **us** any corrective measure(s) to be implemented by **us** and the relevant timeframe(s); and
(f) monitor the implementation of any corrective measures by **us** and determine if they have been implemented within the agreed timeframe.

13.10 The **CGC** may provide any recommendations on **Code** improvements as a response to its monitoring and enforcement, in its quarterly reports to the **ICA** Board.

SANCTIONS

13.11 If the CGC considers **we** have failed to correct a **Code** breach, it will:

(a) notify **our** Chief Executive Officer **in writing**; and
(b) provide an opportunity for **us** to respond within 15 **business days**.

13.12 The CGC will consider any response by **us** before making a final determination and imposing any sanctions.

13.13 The CGC will notify **our** Chief Executive Officer **in writing** of its decision regarding any failure to correct a **Code** breach and any sanctions to be imposed.

13.14 When determining any sanctions to be imposed, the CGC will consider:

(a) the principles and objectives of this **Code**;
(b) the appropriateness of the sanction; and
(c) whether the breach is a **Significant Breach**.

13.15 The CGC may impose one or more of the following sanctions:

(a) a requirement that particular rectification steps be taken by **us** within a specified timeframe;
(b) a requirement that a compliance audit be undertaken;
(c) corrective advertising; and/or
(d) publication of **our** non-compliance.

13.16 The CGC's decisions are binding on **us**.

FOS RESPONSIBILITY

13.17 FOS may report possible **Code** breaches to the CGC.

14 ACCESS TO INFORMATION

14.1 **We** will abide by the principles of the Privacy Act 1988 when **we** collect, store, use and disclose personal information about **you**.

14.2 Subject to 14.4, **you** will have access to information about **you** that **we** have relied on in assessing **your** application for insurance cover, **your** claim or **your Complaint**, if **you** request.

14.3 Subject to 14.4, **you** will also have access to reports from **Service Suppliers** or **External Experts** that **we** have relied on in assessing **your** claim, if **you** request.

14.4 In special circumstances, **we** may decline to provide access to or disclose information to **you**, such as:

(a) where information is protected from disclosure by law, including the Privacy Act 1988;
(b) where, in the case of a claim, the claim is being or has been investigated; or
(c) where the release of the information may be prejudicial to **us** in relation to a dispute about **your** insurance cover or **your** claim (except in the case of **External Experts**' reports), or in relation to **your Complaint**.

14.5 If **we** decline to provide access to or disclose information to **you**:

(a) **we** will not do so unreasonably;
(b) **we** will give **you** reasons for doing so; and
(c) **we** will provide details of **our Complaints** process.

15 DEFINITIONS

ACCC means the Australian Competition and Consumer Commission.

APRA means the Australian Prudential Regulation Authority.

ASIC means the Australian Securities and Investments Commission.

Authorised Representative means a person, company or other entity authorised by **us** to provide financial services on **our** behalf under **our** Australian Financial Services licence, in accordance with the Corporations Act 2001.

business days are Monday to Friday, excluding public holidays.

Catastrophe means an event declared by the **ICA** to be a catastrophe, including, but not limited to, fire, flood, earthquake, cyclone, severe storm and hail, resulting in a large number of claims and involving multiple insurers.

CGC means the Code Governance Committee as explained in Section 12.

Claims Management Service means a person or company who is not **our Employee** but is contracted by **us** to manage **your** claim on **our** behalf.

Co-Insurance means where two or more insurers agree to insure a proportion of the same risk under the same policy.

Code means the General Insurance Code of Practice 2014.

Collection Agent means a person or company who is not **our Employee** but is contracted by **us** to recover money owing to **us**.

Complaint means an expression of dissatisfaction made to **us**, related to **our** products or services, or **our Complaints** handling process itself, where a response or resolution is explicitly or implicitly expected.

Declined Claim means **you** have made a claim on an insurance policy, and:

(a) **we** have declined or not accepted the claim; or
(b) **we** have not determined the claim within 10 **business days** of receiving all the information necessary to do so.

Employee means a person employed by **us** or by a related entity that provides services to which this **Code** applies.

Exceptional Circumstances means:

(a) the claim arises from an extraordinary **Catastrophe** as declared by the **ICA** Board;
(b) the claim is fraudulent or **we** reasonably suspect fraud;
(c) there is a failure by **you** to respond to **our** reasonable inquiries or requests for documents or information concerning **your** claim;
(d) there are difficulties in communicating with **you** in relation to the claim due to circumstances beyond **our** control; or
(e) **you** request a delay in the claims process.

External Expert means a person or company who is not **our Employee** or a **Service Supplier**, but is contracted by **us** solely to provide an expert opinion as to the likely cause of **your** loss or damage.

Financial Hardship means where **you** have difficulty meeting **your** financial obligations to **us**.

FOS means the Financial Ombudsman Service.

15 DEFINITIONS CONTINUED

ICA means the Insurance Council of Australia.

in writing means a communication conveyed by mail or electronically via email, facsimile or text message.

Instalment Policy means a **Retail Insurance** policy for which the premium is payable by seven or more instalments in a year, as defined in the Insurance Contracts Act 1984.

Insured means a person, company or entity seeking to hold or holding a general insurance product covered by this **Code**, but excludes a **Third Party Beneficiary**.

Investigator means a person or company who is not **our Employee** but is contracted by **us** to verify the circumstances relating to **your** claim.

Loss Assessor or **Loss Adjuster** means a person or company who is not **our Employee** but is contracted by **us** to examine the circumstances of **your** claim, assess the damage or loss, determine whether **your** claim is covered under **your** policy, assist in obtaining repair/replacement quotes and help settle the claim.

Marine Insurance means insurance to which the Marine Insurance Act 1909 applies. This **Code** applies to pleasure craft covered by the Insurance Contracts Act 1984.

Medical Indemnity Insurance means medical indemnity cover for health care professionals under a contract of insurance covered by the Medical Indemnity (Prudential Supervision and Product Standards) Act 2003.

Motor Vehicle Injury Insurance means insurance that covers personal injury or death arising out of the use of a motor vehicle, including cover for the injury or death of a driver of a motor vehicle which is caused by the fault of that person when driving.

NIBA means the National Insurance Brokers Association of Australia.

Retail Insurance means a general insurance product that is provided to, or to be provided to, an individual or for use in connection with a **Small Business**, and is one of the following types:

(a) a motor vehicle insurance product (Regulation 7.1.11);
(b) a home building insurance product (Regulation 7.1.12);
(c) a home contents insurance product (Regulation 7.1.13);
(d) a sickness and accident insurance product (Regulation 7.1.14);
(e) a consumer credit insurance product (Regulation 7.1.15);
(f) a travel insurance product (Regulation 7.1.16); or
(g) a personal and domestic property insurance product (Regulation 7.1.17),

as defined in the Corporations Act 2001 and the relevant Regulations.

Service Supplier means an **Investigator**, **Loss Assessor** or **Loss Adjuster**, **Collection Agent**, **Claims Management Service** (including a broker who manages claims on behalf of an insurer) or its approved sub-contractors acting on **our** behalf.

Significant Breach means a breach that is determined to be significant by reference to:

(a) the number and frequency of similar previous breaches;
(b) the impact of the breach or likely breach on **our** ability to provide **our** services;
(c) the extent to which the breach or likely breach indicates that **our** arrangements to ensure compliance with **Code** obligations is inadequate;
(d) the actual or potential financial loss caused by the breach; and
(e) the duration of the breach.

Small Business means a business that employs:

(a) less than 100 people, if the business is or includes the manufacture of goods; or
(b) otherwise, less than 20 people.

Third Party Beneficiary means a person, company or entity who is not an **Insured** but is seeking to be or is specified or referred to in a general insurance product covered by this **Code**, whether by name or otherwise, as a person to whom the benefit of the insurance cover provided by the product extends.

we, **us** or **our** means the organisation that has adopted this **Code**.

Wholesale Insurance means a general insurance product covered by this **Code** which is not **Retail Insurance**.

Workers Compensation means insurance that covers an employer's liability to pay compensation for an employment-related personal injury.

you or your means an **Insured** or **Third Party Beneficiary**, or as otherwise stated in relation to a particular section of this **Code**.

INSURANCE COUNCIL OF AUSTRALIA